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NEWCONEX HOLDINGS LTD.

<u>Price</u>	November 3, 1968	\$7.50
<u>Asset Value per share:</u>		
	June 30, 1967	\$7.07
	June 30, 1968	\$8.54
<u>Discount on current share price</u>		14%
<u>P. E. Ratio</u> (on 1968 earnings)		25.0X
<u>Indicated Dividend</u>		\$0.10
<u>Yield</u>		1.33%



Chart Courtesy Investors Stock Charts

The Company Newconex Holdings ("Newconex") is a closed-end investment and holding company specializing its investments in well established mining and industrial companies. Gold Fields Mining and Industrial Ltd. of the U.K., the parent company, owns about 59% of the outstanding shares of Newconex. Through an agreement with the parent company's wholly owned Canadian exploration subsidiary, Newconex Canadian Exploration Ltd., Newconex has the right to acquire at cost all or any part of the interest of this subsidiary in any mining exploration venture.

The benefits of this arrangement were illustrated recently when the Company purchased at cost a 46% interest in a 13% lead-zinc ore body of 1,350,000 tons in the Pine Point area of the North-west Territories.

The Company's investment portfolio of about \$13.8 million (approximate market value) includes Canadian, U.S. and international mining and industrial situations. Newconex, using its computerized evaluation methods for potential mining company stock investments, as well as detailed backup information from the parent company for foreign investments has experienced good performance on its investment portfolio.

Investments The investment policy of Newconex has been as follows:

1. To invest in securities of companies primarily concerned with mining and industry.
2. To participate in the promotion and development of Canadian enterprises which are primarily concerned with mining and with industries related to natural resource development.

The Company has stated that it is prepared to diversify its holdings from predominately mining investments to other areas of interest where there is profitability.

(a) **Marketable Securities** As of June 30, 1968 Newconex's portfolio included the following common shares:

Canadian

11,000	Alcan Aluminium Limited
7,000	Algoma Steel Corporation, Limited
57,600	Alminex Limited
4,000	Canadian Pacific Railway Company
6,400	Canadian Superior Oil Ltd.
7,100	Falconbridge Nickel Mines Limited
11,500	Hollinger Mines Limited
8,000	Imperial Oil Limited
7,000	International Nickel Company of Canada Limited
34,050	Lornex Mining Corporation Ltd.
10,000	Moore Corporation Limited
60,000	Pine Point Mines Limited
300,000	Pyramid Mining Co. Ltd.
35,000	Shell Investments Limited (Warrants)
15,000	The Steel Company of Canada Limited
20,000	Trans-Canada Pipe Lines Limited

U.S.

6,000	American Metal Climax, Incorporated
2,000	Combustion Engineering Incorporated
5,000	Deere & Company
2,000	Ford Motor Company
7,000	Joy Manufacturing Company
4,000	Phelps Dodge Corporation
8,000	The Quaker Oats Company

South African and Other

20,000	Buffelsfontein Gold Mining Co. Ltd.
17,500	Doornfontein Gold Mining Co. Ltd.
201,200	East Driefontein Gold Mining Co. Ltd. (Rights)
10,000	St. Helena Gold Mines, Ltd.
20,000	Welkom Gold Mining Co. Ltd.
25,000	Winkelhaak Mines Ltd.
12,000	West Driefontein Gold Mining Co. Ltd.
8,000	Western Holdings Ltd.
30,000	Zandpan Gold Mining Co. Ltd.
8,975	Le Nickel S.A.
11,000	Royal Dutch Petroleum Company

Canadian securities are appraised by the Newconex staff using the institutional services of Canadian investment houses for industrial investments and their own detailed computerized evaluation methods for mining company investments. U.S. investments are appraised using normal evaluation methods, the institutional services of U.S. investment firms, and information from U.S. subsidiaries controlled by the parent company. South African and other investments are made using exhaustive studies made available by the parent company.

Information on international factors, which are the key to supply-demand situations affecting metal prices and subsequently the earnings of mining companies are put at the disposal of Newconex by the parent company at no charge.

(b) Direct Investments (Exploration Interests)

Gold Fields Mining and Industrial Limited of the Gold Fields Group, carries out active mining exploration programs in Canada through its wholly owned subsidiary, Newconex Canadian Exploration Ltd. During 1967, 213 properties were considered, 32 properties were examined in the field and options on two were taken out. From this exploration program, financed entirely by Consolidated Gold Fields Ltd., Newconex has recently acquired two situations at cost:

Securities without Quoted Market Values

	<u>No. of shares</u>	<u>% participation</u>	<u>Cost</u>
Buffalo River Exploration Ltd.	1,094,887	46%	\$316,469
Coppermine River Ltd.	500,000	20%	shared financing

The Buffalo River ore body in the Pine Point area, based on an estimated \$3.00 per ton cash value (est. amount paid by Pine Point Mines to Pyramid Mining for its ore body of similar grade) could be worth approximately \$1.86 million to Newconex, or \$0.89 per share. The value of ore discovered in the Coppermine River project remains in the prospect stage of development.

(c) Diversification

In line with its stated policy of looking at profitable enterprises outside the mining industry, the Company recently acquired 75% of the outstanding common shares of Pacific Truck and Trailer Manufacturing Ltd. a company making heavy hauling equipment for the pulp and paper and logging industries. As a result of this move, the expansion of Pacific's export sales will be facilitated through the worldwide interests of the Consolidated Gold Fields Group.

Further diversification moves on the part of Newconex can be expected in the future.

Performance

(A) Historical

The performance of Newconex, based on its combined direct investments and investments in marketable securities is impressive. The net asset value per share has been as follows:

	<u>As at June 30</u>					<u>As at</u> <u>Dec. 31</u>	<u>As at June 30</u>	
	<u>1962</u>	<u>1963</u>	<u>1964</u>	<u>1965</u>	<u>1966</u>	<u>1966*</u>	<u>1967</u>	<u>1968</u>
Net Asset								
Value per share	\$4.74	\$5.72	\$7.35	\$7.62	\$11.78	\$8.04	\$7.07	\$8.54
Based on actual share								
outstanding ('000)	700	700	700	700	740	1,410	2,069	2,073

* During the fiscal years ended June 30, 1966 and 1967, 40,275 shares and 1,328,640 shares, respectively, of capital stock were issued resulting from the exercise of share purchase warrants at \$5.00 each.

During the four year period 1962-1966, the compound growth rate in the Company's asset value per share was 42% per year. In the 18 month period to June 30, 1967, because of the dilution resulting from the exercise of warrants, the asset value per share declined to \$7.07. In 1968 the asset value growth was 21%, and further strong growth is expected.

(B) Future

The performance during the past four years of the Company's investment portfolio of marketable securities using the published figures has added about 15% to 20% per year to the asset value of the Company. This appreciation rate may be expected to continue.

On top of this base, possible revenues from direct mining investments, plus revenues from its industrial subsidiary could conceivably add another 10% per year to the Company's base growth rate.

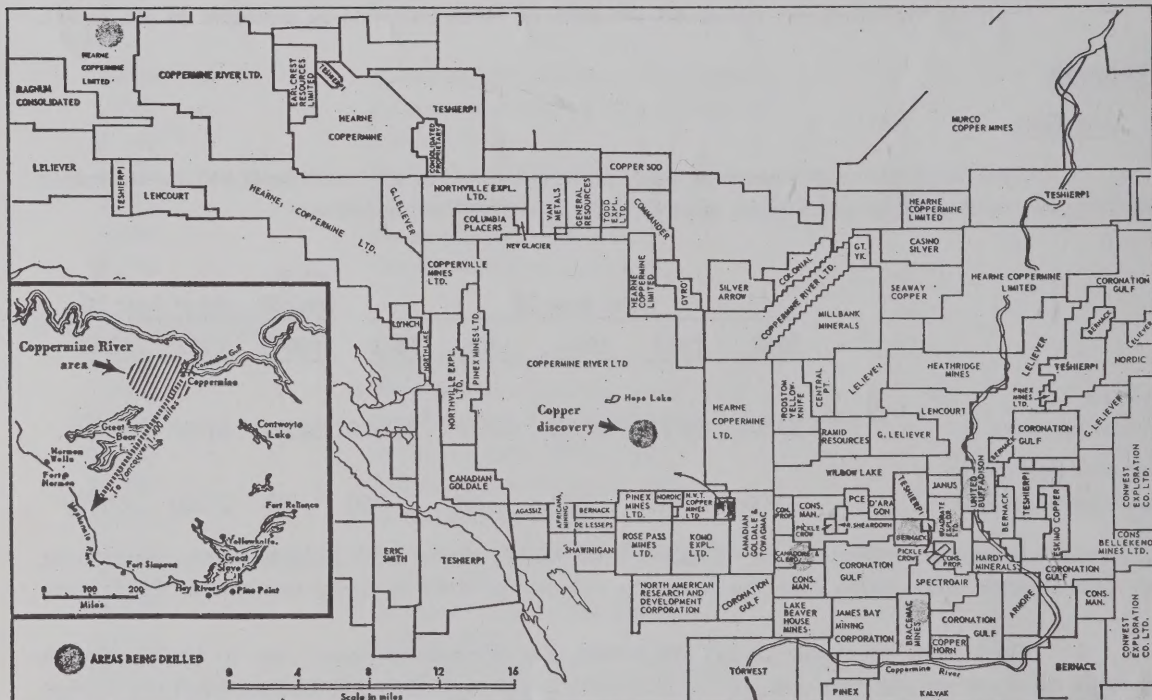
Market Action

During 1967, the stock traded in a narrow range between \$5.00 and \$6.50. In early 1968, the stock moved up from a low of \$5.80 in January to a high of \$9.50. This uptrend was broken in May, and the stock subsequently declined to a low of \$6.90. The stock has in recent weeks recovered to the \$7.50 level.

The fluctuations in the past few months can be attributed to the Company's interest in mining exploration in the Coppermine, and Pine Point areas. We would expect these fluctuations to continue for some time. The support level should continue to rise in line with the increasing asset value of the Company.

Comment Newconex represents an unusual investment vehicle in that it is an investment holding company, selling at a discount from breakup value (approx. 14% discount), yet it offers, with minimal risk, the opportunity to participate in interesting speculative mining plays. With the warrants now exercised, we would expect continued growth in the net asset value and we rate the stock as a buy.

EXPLORATION AREA - NEWCONEX HOLDINGS LTD.



Courtesy of the Financial Post

Company	Newconex Interest
1. Coppermine River Ltd.	20%
2. Teshierpi	15%
3. Northville Ex. Ltd.	20%

The following list includes the name of every director of Pitfield, Mackay, Ross & Company Limited and of every person having an interest, either directly or indirectly, to the extent of not less than 5% in the capital of Pitfield, Mackay, Ross & Company Limited: W. C. Pitfield, E. F. C. Kinnear, R. L. Hunter, D. L. Torrey, K. A. Wright, H. H. Mackay, P. J. Smith, W. Y. Soper, J. M. Arbour, S. J. Langill, K. M. Sedgewick, J. M. McAvity, W. G. H. Pavey, D. J. Langill, H. A. Wheeler, D. C. Mackay, C. B. Loewen, A. F. MacAllaster, T. H. Baker, E. R. Pope, B. E. Thompson,